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January 10, 2011

TO: Each Supervisor

FROM: Jonathan E. Fielding, M.D., M. P.H.
Director and Health Officer

SUBJECT: **REPORT ON PLAN FOR CONSOLIDATION OF THE ANTELOPE
VALLEY REHABILITATION CENTERS**

On October 5, 2010, on a motion by Supervisor Michael D. Antonovich, the Department of Public Health (DPH) was instructed to work with advocates, staff, and employee representatives to A) document the program at Warm Springs to ensure key program elements are incorporated into ongoing DPH Antelope Valley Rehabilitation Centers (AVRC) programs, B) explore community residential service needs and capacity, and C) explore capital and operational funding including opportunities under health care reform, that would allow operation of Warm Springs while meeting the goals of increasing the effectiveness of the AVRC program and achieving the Department of Public Health budget savings, and report back to the Board in 90 days.

To carry out this directive, Service Employees International Union 721 (SEIU), DPH Substance Abuse Prevention and Control (SAPC) (including AVRC management and employee representatives), and DPH Human Resources met over the last few months in a series of meetings to explore these issues.

Background

On October 5, 2010, your Board also approved a request by the Chief Executive Office and DPH to consolidate the two AVRC residential programs located at Warm Springs and Acton into a single facility at the Acton Rehabilitation Center and close the Warm Springs Rehabilitation Center. Consolidation allows DPH to do the following: 1) maximize the limited substance abuse treatment resources, 2) bring the AVRCs in compliance with State and County regulatory agencies, and 3) better serve clients by ensuring sufficient staffing, timely access to treatment, appropriate assessment, and comprehensive treatment services.

A. Ensure Key Program Elements are Incorporated into Ongoing AVRC Programs

The following were identified as key program elements of the Warm Springs Rehabilitation Center men's program:

- Therapeutic environment of care and support including the use of empathic healing approach;
- Use of evidence-based practices including the Matrix treatment model, motivational interviewing, contingency management, and 12-step facilitation;
- Opportunities for physical exercise, work therapy, and literacy training; and
- Friend of Warm Springs alumni and support group involving weekly recovery support group meetings and annual alumni events.

While the remote location of the Warm Springs campus cannot be duplicated in another setting, SAPC will incorporate the elements identified above into the AVRC Men's Program at the Acton Rehabilitation Center. Specifically, the unique program culture and programmatic elements of Warm Springs will be preserved as substance abuse counselor staff and Friend of Warm Springs activities are transitioned to the Acton Rehabilitation Center.

B. Explore Community Residential Service Needs and Capacity

The need for publicly-supported residential treatment services for medically indigent persons with substance use disorders greatly exceeds the availability of such services in Los Angeles County as well as throughout the United States. According to findings from the National Household Survey on Drug Use and Health in 2008, at least 8.3 percent of persons aged 12 or older in the United States would benefit from substance abuse intervention or treatment but did not receive it. Assuming the 8.3 percent figure as baseline, it could be reasonably deduced that as many as 695,000 County residents would benefit from, but do not receive, substance abuse services. It can also be surmised that a large proportion of these residents do not have health insurance coverage to pay for private treatment services.

In Fiscal Year 2009-10, substance abuse treatment programs administered by SAPC were able to provide services to only a fraction of this larger population. Of the 60,629 County residents who received substance abuse treatment services through SAPC-contracted providers, 8,819 were admitted to residential treatment. While residential treatment should be available whenever clinically indicated, in reality, capacity is limited and admission may depend on the eligibility for publicly-funded services (CalWORKs Substance Abuse Services, General Relief) and the referring agency (Proposition 36/Offender Treatment Program, parolee treatment services, and drug court treatment programs).

As of November 1, 2010, the California Department of Alcohol and Drug Programs licensed a total of 4,977 residential treatment beds in Los Angeles County including publicly and privately-funded programs. SAPC holds contracts for 1,478 of those beds of which 508 are licensed to the AVRCs (199 at Warm Springs and 309 at Acton). Although licensed for 508 beds, SAPC has staffing to handle approximately 300 beds. Various federal, State, and County agencies also run residential treatment services independently through direct contracts or through categorical grant awards with community-based programs.

While it is projected that provisions in national health reform will help reduce some of the barriers to treatment (eligibility and availability), health care reform is also expected to increase the demand for services that was previously unmet. Demand for residential treatment services will likely continue to outstrip availability.

It is widely recognized that treating substance abuse minimizes social and economic costs and is cost beneficial. The National Association of State Alcohol and Drug Abuse Directors (NASADA) estimated that 55 percent of incarcerated individuals were under the influence of alcohol and drugs while committing the crimes resulting in their incarceration. Additional data released by NASADAD in 2009 show that 80 percent of incarcerated individuals surveyed reported a history of substance abuse. The landmark 2002 California Treatment Outcome Project conducted by the California Department of Alcohol and Drug Programs found that every dollar invested in treatment saved six dollars in costs to the criminal justice and other public social service systems. A 2008 study conducted by the Marin Institute found that the consequences of alcohol use alone cost Los Angeles County an estimated \$2.2 million due to crime, illness, fatal vehicle crashes, and other incidents. Further, providing substance abuse treatment services to County-identified clients allows for considerable cost avoidance elsewhere within the County system, including the Sheriff's Department and the Department of Health Services (DHS).

C. Explore Capital and Operational Funding

As mentioned previously, maintaining the AVRCs in the current fiscal environment has proved to be challenging, and continual use for the past several decades has resulted in considerable wear and tear on the facilities. Facilities on the Warm Springs and Acton campuses are in need of extensive renovation and repairs, and replacement in order to comply with federal, State, and County regulations. These include replacement of the waste water treatment plant and lift station, phone system, network fiber communications backbone, kitchen equipment, water well, and electrical distribution system, as well as extensive repairs of the bathing, laundry, and residential living facilities. Estimated capital costs to bring the facilities at Warm Springs into compliance with current regulations are estimated to total at least \$7.4 million.

Funding would also be needed to continue operation of Warm Springs, which includes staff (administrative, clinical, maintenance and support), the on-site health clinic operated by the DHS, Internal Services Department maintenance of the waste water treatment plan and the cistern water system, as well as utilities consumed in daily activities (electricity and fuel). The minimum funding needed to continue operation is \$7.3 million annually. Attachment 1 summarizes the capital improvement and operational expenses required to maintain the facilities at Warm Springs and potential funding sources to address these needs.

In order to identify potential funding opportunities, a workgroup comprised of SAPC staff, AVRC advocates and employee representatives is researching possible public and private funding sources for the capital and operational needs identified above. The workgroup is also researching any federal and State funding that may be available through national health reform. Current federal Medicaid regulations do not allow reimbursement for residential treatment or for capital projects. The workgroup is also looking into private foundations and avenues for private fundraising.

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Next Steps

While the challenges to operate Warm Springs Rehabilitation Center are daunting, DPH is committed to working with stakeholders to pursue every option to access the needed resources. To this end, representatives from DPH and 721 will meet on a semi-annual basis to consider any potential funding opportunities eligible for Warm Springs.

If you have any questions or would like additional information, please let me know.

JEF:wks
PH:1012:002

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors

Attachment 1:
ANTELOPE VALLEY REHABILITATION CENTERS (AVRC)
WARM SPRINGS ESTIMATED CAPITAL AND OPERATIONAL FUNDING NEEDS

CAPITAL COST ESTIMATES	
Bathing and Laundry Facility Repairs	300,000
Network fiber backbone Replacement	384,000
PBX phone system Replacement	348,000
Kitchen Equipment Replacement	480,000
Waste Water Processing Plant & Lift Station Replacement	5,382,000
Water Well Replacement	264,000
Electrical Distribution System Replacement	276,000
TOTAL Capital costs	7,434,000
WARM SPRINGS OPERATING COST ESTIMATES	
Annual costs per client per day (\$101/365 days)	36,865
Staffing 100 beds	3,686,500
Staffing 199 beds	7,336,135
POTENTIAL CAPITAL FUNDS	
Health Facilities Capital Improvement Funding	189,872,000
Criminal Justice Facilities Temporary Construction Fund	46,840,000
ARRA sources	TBD
Homeless Veteran Sources	TBD
SB 678 - For Probationers	TBD
POTENTIAL OPERATING FUNDING	
Fee for Service from Clients with Funding	TBD
1115 Waiver Funding	TBD
Health Care Reform/Substance Abuse Parity	TBD
Funding from other agencies (e.g., VA)	TBD